



Environmental Management Consolidated Business Center (EMCBC)

Subject: Purchase Card Operating Procedure

Policies, Procedures
and Plans

APPROVED: (Signature on File)
EMCBC Director

1.0 PURPOSE

The purpose of this procedure is to supplement the Department of Energy Policy and Operating Procedures for the Use of the GSA SmartPay Purchase Card issued by the Director, Office of Procurement and Assistance Management (OPAM) in October 2006. The purpose of this document is to issue clear and concise operating procedures for all sites that are supported by the Purchase Card Program Coordinator at the EMCBC in Cincinnati, Ohio.

2.0 SCOPE

The Department of Energy Policy and Operating Procedures for the Use of the GSA SmartPay Purchase Card is the authoritative source of EMCBC's purchase card policy but, as issued, this document contains a large amount of extraneous information, making frequent consultation impractical. Therefore, this procedure is a distillation of the larger document, containing the information specifically relevant to EMCBC's Purchase Card program.

3.0 APPLICABILITY

All EMCBC and Serviced Sites employees who hold Purchase Cards or are otherwise involved in the GSA SmartPay program must follow the procedures set forth in this document.

4.0 REQUIREMENTS

- 4.1 DOE Acquisition Guide, Chapter 13, March 2, 2007
- 4.2 Government-wide Commercial Credit Card Service Contract Guide GS-23-98004
- 4.3 FAR Subpart 3.104, Procurement Integrity
- 4.4 FAR Part 8, Required Sources of Supplies and Services
- 4.5 FAR Part 12, Acquisition of Commercial Items
- 4.6 FAR Part 13, Simplified Acquisition Procedures
- 4.7 FAR Part 23, Environmental Considerations

5.0 DEFINITIONS

- 5.1 Approving Official is the individual delegated approval authority by the Head of Contracting Activity who is responsible for reviewing the monthly Statement of Account for each cardholder under his/her purview to ensure that purchases are made in accordance with all regulatory and procedural guidance issued by HQ and as supplemented by this EMCBC procedure. The approving official may be the cardholder's supervisor or a person located within their office at a level of GS-13 or above with sufficient experience to be knowledgeable of Governmental purchase transactions and procedures.
- 5.2 Authorizing Official is the Director, Assistant Director, Site Manager or designated official who has been delegated the authority to obligate funds for purposes of making Governmental purchases.
- 5.3 Cardholder is a DOE employee with purchasing authority who is issued the DOE Purchase Card, has his or her name embossed on the card; and is the sole user and custodian of the card.
- 5.4 Head of Contracting Activity (HCA) is the Director of the EMCBC.
- 5.5 Organizational Program Coordinator (OPC) is the individual who has been delegated by the HCA for managing the purchase card program at the EMCBC.
- 5.6 Finance Official is the individual or individuals who work in the Office of Financial Management who are responsible for allocating funding to the various sites' and office's P-card accounts.

6.0 RESPONSIBILITIES

- 6.1 The Head of Contracting Activity (HCA) will:
 - 6.1.1 Designate an individual to serve as the OPC.
 - 6.1.2 Determine who the approving officials and cardholders will be and ensure that purchasing authority is delegated in writing. Approving official letter is in Attachment A.
 - 6.1.3 Establish single purchase limits and monthly limits for each cardholder.
 - 6.1.4 Ensure that training on the DOE Purchase Card Program is developed and provided to approving officials, cardholders, the OPC and other responsible individuals.
 - 6.1.5 Ensure that personnel procedures include return of the purchase card in the departing employee's checklist to the OPC for proper destruction and account cancellation.

- 6.1.6 Consider suspending or terminating cardholder accounts or approving officials if the cardholder does not submit monthly account reconciliations in a timely manner or in accordance with this procedure.
- 6.2 Organizational Program Coordinator (OPC) will:
 - 6.2.1 Coordinate the approval of delegations of approving officials.
 - 6.2.2 Process applications for new cardholders through Bank of America.
 - 6.2.3 Arrange or provide training for cardholders and approving officials as needed.
 - 6.2.4 Maintain list of all cardholders, their approving officials, cardholder/approving official training and purchase limits. If cardholder's purchase limit exceeds the micro-purchase threshold, request CO warrant for cardholder through EMCBC, Office of Contracting, Policies and Administrative Support Team.
 - 6.2.5 Maintain copies of cardholder/approving official training certificates and continuous learning units.
 - 6.2.6 Perform liaison duties between the cardholder and Bank of America for issues or conflicts regarding their individual Statement of Account.
 - 6.2.7 Conduct periodic reviews of cardholders' purchases to ensure compliance with regulations, policies, and procedures.
 - 6.2.8 Refer cardholders/approving officials to the HCA or Assistant Director, Office of Contracting, for suspension or termination if monthly account reconciliations are not submitted in a timely manner.
 - 6.2.9 Close accounts for cardholders who are terminated or no longer have a need for their purchase card.
 - 6.2.10 Review all individual Statements of Account for proper documentation and signatures.
 - 6.2.11 Distribute purchase card charges and credits to the appropriate accounts in Vendor Invoice Approval System (VIAS), in coordination with EMCBC, Office of Financial Management.
 - 6.2.12 Notify HCA or Assistant Director, Office of Contracting, of any problems with individual cardholder accounts.
 - 6.2.13 Prepare the Quarterly P-card Report and submit to OPAM through the SmartPay Database.

6.3 Cardholders will:

- 6.3.1 Certify that the quantity and quality of the items/services furnished are in accordance with the agreement with the vendor.
- 6.3.2 Ensure that funds are reserved prior to the items being purchased. For training charged to a P-card, cardholder needs to ensure that funds are reserved through the Office of Financial Management and that a TR number is assigned through the EMCBC Training Coordinator prior to making the charge.
- 6.3.3 Obtain the authorization from their authorizing officials prior to the transaction unless the transaction is a purchase covered by a blanket letter of approval previously issued.
- 6.3.4 Comply with the requirements of FAR Part 8 entitled, "Required Sources of Supplies and Services" and Part 13 entitled, "Simplified Acquisition Procedures," when making purchases using the purchase card.
- 6.3.5 Maintain physical custody of the DOE Purchase Card at all times. The cardholder must not allow anyone to use the card or account number. A violation of this may require that the card be withdrawn from the cardholder with the possibility of disciplinary action. The cardholder will ensure that the purchase card is kept separate from the Government travel card in order to prevent its accidental use for personal transactions.
- 6.3.6 Not "split" purchases in order to fall within the single purchase limit. If a purchase would exceed a cardholder's single purchase limit, the purchase must be accomplished using other acquisition procedures.
- 6.3.7 Save all customer receipts and submit with the monthly Statement of Account.
- 6.3.8 Review, sign, and date the individual statement of account and submit the statement of account with original receipts to the approving official. Completed statement must be submitted to the OPC by the 15th of the subsequent month (i.e., January 27th statement due to OPC by February 15th).
- 6.3.9 Immediately report stolen cards to Bank of America, approving official, and the OPC.
- 6.3.10 Inform vendor that the purchase is tax exempt.
- 6.3.11 Comply with monetary and activity limits.
- 6.3.12 Perform follow-up on purchases to ensure items are received prior to processing the individual Statement of Account.

- 6.3.13 Ensure compliance with property requirements.
- 6.3.14 Ensure that supplies and services that are purchased with the card are consistent with appropriate guidelines.
- 6.3.15 Complete training, provide proof of training to the OPC, and maintain a copy of training certificates.
- 6.3.16 Utilize the mandatory online electronic EMCBC P-card Log at <http://www.emcbc.doe.gov/security/login.php>
- 6.4 Approving Officials will:
 - 6.4.1 Ensure that each cardholder has access to the EMCBC operating procedure and understands the requirements for use of the DOE Purchase Card.
 - 6.4.2 Review and approve (sign and date), in a timely manner, cardholder's Statement of Account ensuring that the statements have supporting documentation and are complete, accurate and reflect only authorized purchases.
 - 6.4.3 Ensure Statements of Account, signed by the cardholder and approving official, are received by the OPC by the 15th of each month for all cardholders under their purview with activity for that month.
 - 6.4.4 Complete training, provide proof of training to the OPC, and maintain a copy of training certificates.
- 6.5 Authorizing Officials will:
 - 6.5.1 Select employees to serve as cardholders and notify the HCA and OPC.
 - 6.5.2 Review and authorize, prior to purchase, DOE P-card purchases, except those having blanket letters of approval.
- 6.6 Finance Official will:
 - 6.6.1 Ensure that payments to the Bank of America are made in accordance with the Prompt Payment Act (Oak Ridge Payment Office).
 - 6.6.2 Ensure all payments meet the requirements of applicable law and regulations, including determining the availability of appropriations as to purpose for items purchased.
 - 6.6.3 Establish procedures for receiving and verifying the amount of rebates received from Bank of America and depositing rebate checks received from Bank of America.

- 6.6.4 Notify OPC of any problems with individual cardholder accounts or charges on master statement account (Oak Ridge Payment Office).
- 6.6.5 Ensure funds are allocated in the specific charge categories in VIAS prior to OPC entering individual monthly statement amounts into VIAS.
- 6.6.6 Obligate funds to each program office and notify Managers who will designate the amounts to their cardholders.
- 6.6.7 Assist OPC as necessary regarding monthly input of charges to VIAS.

7.0 GENERAL INFORMATION

The DOE Purchase Card is a VISA commercial purchase card that has a unique numbering system which identifies the Agency, subunit, single purchase limit, and the cardholder number. The DOE Purchase Card is not to be used by anyone other than the employee whose name appears on it and shall not be used for personal purchases. Bank of America will be paid the actual cost of transactions for which the DOE Purchase Card was used. Purchases that have been made using the DOE Purchase Card will be paid in accordance with the Prompt Payment Act. Bank of America provides program services support, full reporting, purchase authorization, customer service, and account setup services. Purchases can be returned within 120 days following purchase to the merchant for credit. Purchases are tax exempt in those states which honor the tax exempt status of the U.S. Government. DOE Purchase Cards are mailed to the cardholders' office. Bank of America will have no record of the cardholder's home address, personal credit history, or social security number.

8.0 PROCEDURES

8.1 Purchasing Authority

Each cardholder must have purchasing authority evidenced by either the Delegation of Authority or a Contracting Officer's Certificate of Appointment. This authority allows the cardholders to use the DOE Purchase Card to purchase goods and services within established single purchase and monthly limits. These limits shall reflect the dollar levels of purchases that the cardholder will be making as part of their official duties.

8.2 Conditions for Using the DOE Purchase Card

- 8.2.1 Purchases accomplished using the DOE Purchase Card must meet the following conditions: (a) the total of a single purchase may comprise multiple items and cannot exceed the authorized single purchase limit stated in the Delegation of Authority or Certificate of Appointment; (b) all purchases accomplished using the DOE Purchase Card will be in accordance with FAR Part 8, "Required Sources of Supplies and Services" and FAR Part 13, "Simplified Acquisition Procedures" and this operating procedure; and (c) the supplies or services must be available and received

prior to the end of the billing period, except in extenuating circumstances. Items or services not received prior to the end of the billing cycle should not be approved for payment by the cardholder and approving official on the monthly Statement of Account.

- 8.2.2 FAR 13.301, Government-wide commercial purchase card, states the card may be used to (1) make micro-purchases; (2) place a task of delivery order, if authorized; or (3) make payments, when the contractor agrees to accept payment by the card. Pursuant to FAR 32.1108, the purchase card may be used as a method of payment under certain contracts provided the contract contains a clause authorizing such method of payment through a clause such as that at FAR 52.232-36, Payment by Third Party.

8.3 Personal Property Management and Accountability

- 8.3.1 The EMCBC maintains a personal property management program to maintain adequate inventory controls and accountability systems for all property under its control. A critical element of the personal property management program involves the purchase and receipt of needed items and the recording of the transaction on the formal accountable records of the EMCBC. The acquisition of personal property can be accomplished by a number of methods, including credit card purchases. Examples of personal property include furniture, computer equipment, cameras, calculators, copiers.
- 8.3.2 Documentation of receipt of personal property must be forwarded to the EMCBC Property Management Team. Generally this responsibility lies with the end user of the property. However, when the end user has acquired the personal property with a credit card and the property is delivered to the cardholder, the cardholder becomes accountable for the property and assumes responsibility for ensuring that the item is recorded in the property management system.
- 8.3.3 All personal property acquired by using the purchase card requires inventory control identification and recording in the personal property management records. Following the purchase of the personal property, the cardholder will advise the EMCBC Property Management Team in writing (i.e., via e-mail or facsimile) requesting that the equipment/property be recorded. Written confirmation should include the following information:
- a. Cardholder name, office, telephone number, room;
 - b. Brief description of the personal property;
 - c. Model number and serial number of the personal property;
 - d. Acquisition value.

8.4 Prohibitions and Restrictions

8.4.1 The following are prohibited uses of the DOE Purchase Card:

- a. Cash advances;
- b. Rental of land or buildings;
- c. Purchase of software requiring a negotiated license agreement between DOE and the contractor;
- d. Purchase of food, beverages and entertainment, except under special circumstances, generally associated with away from the work place training that must be approved in advance in all cases.

8.4.2 The DOE Purchase Card will not be used in lieu of the Government authorized travel charge card.

8.4.3 Purchases that utilize third party payment vendors such as PayPal and MyPay except with written approval of the Organizational Program Coordinator.

8.4.4 Generally the following items are centrally managed and procured. Check before using the purchase card to obtain the following:

- a. Messenger services and package delivery services (e.g., FedEx);
- b. Office supplies and paper;
- c. Lease of Government vehicles;
- d. Building alterations;
- e. Office moves;
- f. Carpet installation and repair;
- g. Printing;
- h. Photocopier equipment;
- i. Computer equipment;
- j. Furniture.

8.4.5 Products or services to be furnished by the Federal Prison Industries require formal documentation of market research and analysis in accordance with FAR Subpart 8.6.

- 8.4.6 Bank of America groups vendors within merchant categories based on their type of business. Should a cardholder need to make a purchase from a vendor in a blocked category, they will need to contact their OPC to clear the purchase with the bank.

8.5 Purchases

- 8.5.1 Purchases of goods and services should be made based upon a properly authorized requisition signed by the authorizing official, describing the goods or services to be purchased, the delivery requirements, potential sources, and documentation that funds are available for the purchase. In limited circumstances, as provided by the HCA, purchases may be authorized without prior review. The goods or services to be purchased shall be those necessary to meet the Government's best value, given cost, schedule, and performance requirements.
- 8.5.2 Purchases of services may be made with the purchase card, however, if the nature of the service is subject to the Service Contract Act, refer the matter to the Office of Contracting. Such purchases should be fixed price or fixed hourly rate with a maximum ceiling. If the services are purchased on a recurring basis, consideration should be given to consolidation under a contract. The DOE Purchase Card should not be used unless ordering and delivery of the services can occur within the billing period. The card should not be used to procure services subject to the Service Contract Act in an amount of \$3,000 or greater.
- 8.5.3 Purchases of construction may be made with the purchase card only if such purchases do not exceed \$2,500.
- 8.5.4 If the cardholder purchases goods or services directly from a merchant, the merchant should give the cardholder a copy of the charge slip and any other customer receipt. The cardholder must ensure that the charge slip contains full documentation of items purchased. The cardholder is required to save the charge slip and any other receipt for forwarding to the approving official and OPC along with the monthly Statement of Account. In addition, if an item is returned to the merchant and a credit is given, the credit slip should also be saved and attached to the Statement of Account which shows the credit.

8.6 Preparation of Internal Revenue Service Forms for Certain Purchases

Purchases of services exceeding \$600 necessitate the issuance of Standard Form 1099 to the merchant and the Internal Revenue Service. When making such purchases the cardholder should obtain the merchant's Taxpayer Identification Number and provide it to the Office of Financial Management. Purchases made through the use of the DOE/C-Web system and STARS conform to this requirement. In the case of purchases outside either of these systems, the

cardholder should check with the Office of Financial Management concerning this requirement.

8.7 Telephone Ordering

Care must be taken to ensure that the items are received prior to the end of the billing cycle. Since the Statement of Account will be issued to the cardholders immediately after the end of each billing cycle, the following instructions will apply: (1) telephone ordering should allow enough time for purchases to be delivered within the same cycle; (2) subscriptions may be telephonically ordered and payment authorized although the subscription has not been received by the end of the billing cycle; (3) merchants must agree to not charge the DOE Purchase Card account number until the shipment is made; and (4) cardholders must instruct the merchant to include the cardholder name, cardholder telephone number, and shipping address on the shipping document or packing slip.

8.8 Oral Purchases (including Telephone Orders) and Mail Order Purchases

8.8.1 Oral purchase and mail order purchases to acquire supplies or services may be accomplished using the DOE Purchase Card provided that (1) the supplies or services can be described in sufficient detail so that the parties have a clear understanding of what is required; (2) the amount of the purchase is \$3,000 or less; and (3) a purchase order or contract is not required by either the merchant or DOE.

8.8.2 As used in this operating procedure, oral purchasing means a procedure whereby an order is placed using the purchase card through a verbal agreement which is made in person or via telephone.

8.8.3 When an order is placed via telephone using the purchase card, the cardholder will:

- a. Notify the vendor that the purchase is tax exempt. Should a vendor refuse to acknowledge the tax exempt status of the purchase, the ultimate recourse for the cardholder is to inform the vendor that the Government's purchase will be taken elsewhere. If necessary, give the merchant the tax exemption number "4700" as the United States Government's tax exemption number.
- b. Ensure that the items or service being acquired will be received by the end of the billing cycle. Items or services not received prior to the end of the billing cycle may not be approved for payment by the cardholder and approving official on the monthly Statement of Account. Therefore, the cardholder should confirm that the vendor agrees not to charge the purchase card until shipment is made so that the receipt of supplies may be certified on the monthly Statement of Account.

- c. Ensure the price quoted represents the full obligation of the Government for the item or service acquired. Cardholders need to ensure that the prices quoted represent the total price to the Government, including shipping charges, packaging, etc., to avoid future billing and payment problems.
- d. Instruct the vendor to include the cardholder name, cardholder telephone number, and shipping address on the shipping document or packing slip. This information will alert the receiving individuals that the supplies have been purchased with the purchase card.

8.9 Reservation/Obligation of Funds

An initial reservation and obligation will be made by the Budget Team, Office of Financial Management after consensus between the Assistant Directors/Site Managers and the Chief Financial Officer and will be based on the individual organization's budget. A Miscellaneous Purchase Order is established in STARS for the purpose of VIAS cost distribution. The authorizing official will be responsible for ensuring their cardholders' purchases are authorized and are within their office's budget. In the case of changing budget needs (increase or decrease to the baseline budget or a change of object class within the budget) a request will be submitted to the Office of Financial Management for fund certification and obligation prior to the cost distributions in VIAS. Purchases not associated with a specific organization will be approved and tracked by the Office of Financial Management.

8.10 Card Abuse

Use of the card for other than official Government business may be considered as an attempt to commit fraud against the U.S. Government and may result in immediate cancellation of the card and disciplinary action against the cardholder under applicable Departmental or Government-wide administrative procedures. Suspected fraudulent misuse should be reported to the Office of Inspector General and the Organizational Program Coordinator. The cardholder will be personally liable to the Government for the amount of any unauthorized purchases and possible subjection to a fine of not more than \$10,000 or imprisonment for not more than five (5) years or both under 18 U.S.C. 287.

8.11 Reporting

At the end of the billing cycle, cardholders will receive an individual Statement of Account showing all purchases and credits processed by Bank of America during the billing cycle. Oak Ridge Finance Office will receive a consolidated statement of all purchases and credits applicable to all EMCBC cardholders from Bank of America.

8.12 Review Process

8.12.1 Each monthly statement must be reviewed and approved, in a timely manner, by both cardholder and approving official. Upon receipt of the statement from Bank of America, the following will be performed:

8.12.2 Cardholders will:

- a. Reconcile the Statement of Account with their mandatory on-line P-card log, copies of charge/credit slips and any other customer receipts, and certify that the supplies and services are in accordance with the orders that were placed.
- b. Retain any charge/credit slips and customer receipts for purchases not listed on the Statement of Account for the next billing cycle.
- c. Document statement errors with an explanation using the Bank of America cardholder dispute form located on the back of their statement and forward a copy to Bank of America.
- d. If cardholder does not have a customer copy of the charge/credit slip, the cardholder will mark the word "lost" over the date of purchase column on the Statement of Account and attach an explanation. If a charge slip is lost, ask the merchant for a copy. If the cardholder is on travel or leave, efforts should be made to review statements prior to the planned travel or leave.
- e. Write on Statement of Account (over the item) the TR number for any training that is charged to their account.
- f. Certify the receipts and accuracy of all purchases by signing and dating the Statement of Account.
- g. Forward the reconciled Statement of Account, charge/credit slips, other customer receipts, the Monthly Purchase Card Charge Information Form (Attachment B), and if applicable, the completed dispute form to the approving official. Cardholders need to allow sufficient time for approval from the approving official to ensure receipt by the OPC on or before the 15th of the month.
- h. Submit signed and approved Statement of Account to the OPC to ensure receipt by the OPC by the 15th of the month following statement receipt.

8.12.3 Approving Official will:

- a. Review the individual cardholder's Statement of Account for accurate reconciliations and supporting documentation.

- b. Obtain any other necessary information not originally supplied by the cardholder, if necessary. Approving official should check P-card online system to ensure proper authorizations are being obtained.
- c. Approve by signing and dating the reconciled Statements of Account for all cardholders under their purview who had activity for the month.
- d. Return approved statement to cardholder for submission to the OPC by the 15th of the month.

8.12.4 Organizational Program Coordinator will:

- a. Review individual cardholder statements to ensure signatures and approvals are in place.
- b. Ensure supporting receipts are attached.
- c. Ensure authorizations are being obtained online.
- d. Follow-up with Bank of America, as necessary, for any disputes identified.
- e. Reconcile individual cardholders' statements with the amounts that have been entered into VIAS.
- f. Disputed items should be recorded under the Suspense PO number in VIAS.
- g. Disputed items put under the Suspense PO number in VIAS need to be resolved prior to year end by either crediting the amount in dispute or charging to the correct charge category.

8.12.5 Finance Official will:

- a. Ensure that Oak Ridge Finance Office inputs information from individual cardholder accounts into VIAS.
- b. Ensure that funds are obligated into individual program and site accounts charge categories such that when cardholder charges are entered in VIAS (by Organizational Program Coordinator) there is funding available.
- c. Assist Organizational Program Coordinator, as necessary, to ensure charges are correctly input to VIAS.

- d. Ensure that the individual accounts are reconciled with the consolidated master statement account (Oak Ridge Payment Office).
- e. Make payment to Bank of America in accordance with the Prompt Payment Act (Oak Ridge Payment Office).
- f. Ensure all payments meet the requirements of applicable law and regulations, including determining the availability of appropriations as to purpose for items purchased.

8.13 Billing Errors and Disputes

8.13.1 If a cardholder receives a statement that lists a transaction for an item or service that has not been received, or represents an unauthorized charge, the cardholder will complete the cardholder dispute form (on back of Statement of Account) and forward a copy of the form to Bank of America. The original dispute form should be attached to the cardholder's monthly Statement of Account. Item in dispute should be identified on the monthly statement by writing "disputed" across the item. Bank of America should respond in writing and credit the transaction until the dispute is resolved. Bank of America will assist in reconciling the questioned item only if it is evidenced by the dispute form within 60 days from the date of the Statement of Account that first contained the questioned item. However, it is the responsibility of the cardholder to make every effort to resolve errors, discrepancies and disputes.

8.13.2 If items purchased with the purchase card are found to be defective, the cardholder has the responsibility to obtain replacement or correction of the item as soon as possible. If the merchant refuses to replace or correct a faulty item, then the purchase of the item will be considered in dispute. Items in dispute are handled in the same manner as billing errors in that disputed items are reported using the dispute form by forwarding a copy to Bank of America and the original with the cardholder's monthly Statement of Account. The 60-day period applies to defective items as well as questioned items.

8.14 Departure of Employees

8.14.1 If a cardholder's employment is ending (resignation, retirement), the DOE Purchase Card should be destroyed prior to the release date. Personnel procedures should ensure that the card is returned to the OPC for proper destruction (in the departing employee's checklist). The OPC will ensure that the cardholder's account is cancelled with the Bank of America. The cardholder's letter of delegation or Contracting Officer warrant will also be cancelled at that time.

8.14.2 If a cardholder is transferring to another position at the EMCBC, a determination will be made by the authorizing official as to whether the DOE Purchase Card is necessary in the new position. Cardholder's authorizing official should notify OPC in a timely manner as to the decision that is made. If it is determined that the purchase card should not be retained by the cardholder, the purchase card should be returned to the OPC for proper account cancellation and card destruction.

8.15 Utilization of Small Business

FAR Part 13 prescribes that acquisition of supplies and services of an anticipated dollar value of \$3,000 through \$100,000 will be reserved exclusively for small business concerns. Only when there is no reasonable expectation of obtaining goods or services from two or more responsible small business concerns that will be competitive in terms of market price, quality, and delivery, may the purchase be made from a large business. Each such purchase will be appropriately documented.

8.16 Competition

Purchases not exceeding \$3,000 are called "micro-purchases" and may be made without securing competitive quotations if the cardholder considers the prices obtained from a single source to be reasonable. Purchases made without securing competition will be distributed among qualified suppliers by means of rotating recurring purchases among vendors. If a purchase recurs frequently, consideration should be given to consolidating the requirements to obtain quantity discounts. For assistance, contact the OPC or Office of Contracting.

8.17 Micro-purchases under the DOE Purchase Card Program

The Federal Acquisition Streamlining Act (FASA) of 1994 established "micro-purchase" procedures for acquiring products and services valued at \$2,500 (amended to \$3,000) and below. The primary objective of FASA is to dramatically simplify the method in which Government officials can acquire low-dollar value products and services in the performance of their mission duties and responsibilities. The following requirements apply to micro-purchases: (1) purchases may be made without securing competitive quotations if it is determined that the price for the purchase is reasonable, however, noncompetitive micro-purchases should be equally distributed among qualified vendors and (2) the mandatory sources described in Section 8.23 of this operating procedure apply to micro-purchases. In addition, all other requirements contained in this operating procedure apply to micro-purchases made with the DOE Purchase Card.

8.18 Procurement Integrity Requirements for Federal Employee Purchase Cardholders

8.18.1 FAR Subpart 3.104 implements the Federal Government's policy related to conduct and procurement activities of Federal employee procurement officials. For the purposes of these procedures, purchase cardholders are considered procurement officials. This applies to the cardholder's authorizing officials to the extent that the authorizing official had personal and substantial participation in a purchase card transaction.

8.18.2 During the conduct of any Federal agency procurement, including purchase card transactions, of property and services, no procurement official will knowingly:

- a. Solicit or accept, directly or indirectly any promise of future employment or business opportunity from, or engage, directly or indirectly, in any discussion of future employment or business opportunity with any officer, employee, representative, agent, or consultant of a competing contractor.
- b. Ask for, demand, exact, solicit, seek, accept, receive, or agree to receive, directly or indirectly, any money gratuity, or other thing of value from any officer, employee, representative, agent, or consultant of any competing contractor for such procurement; or
- c. Disclose any proprietary or source selection information regarding such procurement directly or indirectly to any person other than a person authorized by the head of such agency or the contracting officer to receive such information.

8.19 Acquisition Regulation

The Federal Acquisition Regulation applies to card purchases. See FAR Subpart 3.104, FAR Part 8, FAR Part 12, and FAR Part 13.

8.20 Program Support

The Office of Contracting and the Office of Financial Management will provide full program support and assistance to cardholders and approving officials. Each of these offices will identify staff members who can assist cardholders and resolve problems that may be encountered.

8.21 Head of Contracting Activity Reviews

The HCA is responsible for the conduct of an effective and efficient acquisition program. Accordingly, purchase cardholders and approving officials are responsible for the card purchases in accordance with this operating procedure. The HCA should conduct and document annual reviews of cardholder records to determine the extent of adherence to prescribed procedures, guidelines, policies,

regulations, and good management practices, and to identify any need for improvement, guidance and/or training. Annual reviews should include an assessment of the appropriateness of transaction dollar limitations as well as a validation of the need for the account based upon usage. A copy of the annual review shall be forwarded to the Agency Program Coordinator located at HQ. If purchases are at significantly lower levels, lower spending limitations should be considered. Attachment 3 provides a review checklist that should be used in conducting this annual review. Additionally, the OPC should conduct monthly oversight reviews to identify any seemingly abnormal purchases so that they may be promptly reviewed and any problems resolved.

8.22 U.S. Government Tax Exempt Purchases

8.22.1 Each DOE Purchase Card is embossed with the notice “U.S. Government Tax Exempt.” The cardholder must inform the merchant prior to placing the telephone order or making an over-the-counter purchase, that the purchase is exempt from all state or local taxes, including sales taxes. To the extent that the merchant does not initially acknowledge that DOE Purchase Card purchases are exempt from state and local taxes, the cardholder will specifically instruct the merchant that the Government-wide card provides that all card purchases will be exempt from state and local taxes. In addition, FAR Subpart 29.302, “Application of State and local taxes to the Government” states that purchases and leases made by the Federal Government are immune from state and local taxation. FAR Subpart 29.305, “State and local tax exemptions,” states that evidence of exemption from state and local taxes includes copies of purchase orders, shipping documents; purchase card imprinted sales slips, paid or acknowledged invoices, or similar documents that identify an agency of the U.S. as the buyer.

8.22.2 Each state has provided GSA a tax exemption letter discussing its statutes in this area. They are available at:
http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=13558&noc=T Per GSA policy, if the vendor requires a tax exemption certificate then the cardholder needs to ask the vendor to recognize “4700” as the United States Government’s tax exemption number for credit card transactions.

8.23 Mandatory Sources

8.23.1 Cardholders are subject to the regulatory requirements contained in FAR Part 8, “Required Sources of Supplies and Services”. By law, the Javits-Wagner-O’Day Act Program (JWOD) is a mandatory source program for the Federal Government. The program is designed to promote the socioeconomic goal of generating employment and training opportunities for persons who are blind or who are otherwise severely disabled. The JWOD program carries the highest socioeconomic priority involving

Federal acquisition in that no other provisions of the FAR permits exception to the mandatory nature of JWOD products and services provided by the National Industries for the Blind (NIB) and NISH nonprofit agencies. Purchase cardholders are prohibited from acquiring supplies equivalent to JWOD items from other sources, including discount office supply stores and firms supplying Federal agencies under consolidated office supply contracts except as provided in Section 8.24 below.

- 8.23.2 Federal Prison Industries (Unicor) is a mandatory source for items listed in the FPI schedule at <http://www.unicor.gov> but purchases from Unicor require special analysis. Before procuring from Federal Prison Industries, cardholders should consult with the Office of Contracting.

8.24 Office Supplies and JWOD

- 8.24.1 Under the provision of the Javits-Wagner-O'Day Act, JWOD contractors are the exclusive distributors of JWOD office supplies with the following ordering options:
- 8.24.2 www.jwod.com This is JWOD's on-line system for ordering next-day delivery of thousands of Skillcraft and other JWOD products. This is the recommended ordering option for purchase cardholders using the purchase card as the most convenient and efficient method of purchasing office supplies.
- 8.24.3 JWOD Corporate Single Award Schedule (NIB/NISH). This schedule offers a variety of office supplies that includes computer paper, writing instruments and desk supplies.
- 8.24.4 GSA Advantage On-Line Shopping Service. This internet site (<http://www.gsadvantage.gov>) allows customers to browse, search, and review prices and delivery options before placing an order on the internet. GSA's National Help Line at 800-488-3111 will answer questions and refer you to local JWOD Program assistance through Customer Service Directors in each state.

8.25 Complex-Wide Strategic Sourcing Opportunities

Strategic Sourcing acquisition instruments are available on the DOE Procurement Home Page for use by all DOE activities. In addition, subject to the specific ordering procedures of each award, DOE sites are eligible to use these instruments. Hypertext links are provided so you can examine each instrument and then the "Schedule" to determine what is available and at what price. An activity can easily be placed against the contract by following the Ordering Procedures linked under each instrument. The link is:

<http://professionals.pr.doe.gov/ma5/MA-5Web.nsf/Procurement/Complex-wide+strategic+sourcing+opportunities?OpenDocument>

8.26 Qualifications and Training Requirements for Purchase Cardholders

8.26.1 FAR Subpart 1.603-3 Appointment, states that contracting officers shall be appointed in writing on SF 1402, Certificate of Appointment, stating any limitations on the scope of authority to be exercised. The SF 1402 shall be used to evidence the contracting officer appointment for delegation of purchase cardholders exceeding the micro-purchase authority (i.e., above \$3,000). A Certificate of Appointment is not required for cardholders exercising only micro-purchase authority. A Delegation of Purchasing Authority will evidence this appointment. In accordance with the August 23, 2006, Acquisition Letter 2006-7, entitled DOE Order 361.1A, Acquisition Career Development Program, the following training and experience is required for purchase cardholders:

8.26.2 Minimum training requirements for all purchase cardholders:

- a. All cardholders should receive training on the DOE Purchase Card Program arranged for or presented by the Organizational Program Coordinator. This should include self study of this operating procedure and instruction on the P-card online system.
- b. GSA SmartPay Purchase Card Program, a four-hour online training course addressing responsible use of the purchase card at <http://fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm>
- c. One-hour training entitled “Affirmative and Environmentally Preferable Procurement Training for Purchase Card Users and Approving Officials” available at <http://professionals.pr.doe.gov/ma5/MA-5Web.nsf/Procurement/Acquisition+and+the+Environment?OpenDocument>
- d. 16 hours of continuous learning every two years.

8.26.3 Recommended training for micro-purchase cardholders:

One-day Government-wide Purchase Card course available from the GSA Interagency Training Center; USDA Graduate School, Management Concepts, Inc., and other training centers.

8.26.4 Additional Requirements (in addition to the above four (4) requirements) for cardholders with single purchase limit exceeding \$3,000 through \$25,000:

- a. At least six months of experience as a cardholder at the micro-purchase threshold
- b. Training course of at least 16 hours on simplified acquisition techniques, including market research, competition, commercial item purchasing, best value source selection, and socioeconomic procurement programs. This training may be waived by the HCA for experienced cardholders who have acquired experience equivalent to this training.

8.27 Approving Official Training

- 8.27.1 All approving officials should receive training on the DOE Purchase Card Program arranged for or presented by the Organizational Program Coordinator. This should include self study of this operating procedure and instruction on the P-card online system.
- 8.27.2 GSA SmartPay Purchase Card Program, a four-hour online training course addressing responsible use of the purchase card at <http://fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm>
- 8.27.3 One-hour training entitled Affirmative and Environmentally Preferable Procurement Training for Purchase Card Users and Approving Officials available at <http://professionals.pr.doe.gov/ma5/MA-5Web.nsf/Procurement/Acquisition+and+the+Environment?OpenDocument>
- 8.27.4 Biennial refresher training will be provided with a certification that approving officials have read and understand the EMCBC DOE Purchase Card Operating Procedure.

8.28 Qualification Standards for Organizational Program Coordinator

Individuals appointed as the EMCBC OPC shall be experienced contracting personnel. The OPC must be working toward Contracting Level I Certification although Level II is preferred. The OPC must complete the GSA Smart Pay and Affirmative Procurement Training referenced above. In addition, the OPC is expected to attend the Annual GSA SmartPay Training Conference. The OPC is also expected to participate in recurring telephone conference calls which will be scheduled by the Agency Program Coordinator. Cardholders, Approving Officials, and OPC have a one-year period to complete any new training requirements.

8.29 Lost or Stolen Cards

8.29.1 If the purchase card is lost or stolen, it is the responsibility of the cardholder to notify the Organizational Program Coordinator, the approving official and the Bank of America as soon as practicable at the following telephone number 24 hours/day:

- a. Inside the continental United States: 1-800-472-1424
- b. Outside the continental United States: call collect 1 (757) 441-4124

8.29.2 Cardholder should identify the date and location of the loss, the date and time Bank of America was notified, any purchases made on the day the card was lost/stolen, and any other pertinent information.

8.29.3 A new card will be mailed within two business days of the loss or theft. A card that is subsequently found should be given to the OPC and destroyed. The OPC will notify Bank of America that the card has been destroyed.

8.30 Unauthorized Use

The Government will not be liable for any unauthorized use of the card. “Unauthorized use” means the use of the purchase card by a person other than the cardholder, who does not have actual, implied, or apparent authority for such use, and from which the cardholder receives no benefit. A cardholder who makes unauthorized purchases or carelessly uses the card may be liable to the Government for the total dollar amount of unauthorized purchases made in connection with the intentional or negligent use of the card. In addition, the cardholder may be subject to disciplinary action for unauthorized or negligent use of the card, including a fine not to exceed \$10,000 or imprisonment for not more than five years, or both, pursuant to Title 18 U.S.C. 287.

8.31 Affirmative Procurement: Recycled, Biobased and Energy Efficient Products

8.31.1 This section discusses Government practices for maximizing the purchase of recycled, biobased, and energy efficient products. Section 6002 of the Resource Conservation and Recovery Act and Executive Order 13423, “Strengthening Federal Environmental, Energy, and Transportation Management” require Federal agencies to develop Affirmative Procurement Programs.

8.31.2 The U.S. Environmental Protection Agency (EPA) is responsible for designating items that are or can be made with recovered materials. EPA-designated items are listed in 40 CFR 247, “Comprehensive Guideline for Procurement of Products Containing Recovered Materials” (CPG). In addition, EPA’s Recovered Materials Advisory Notice provides recovered material content ranges for designated items. EPA’s home page for this

topic is <http://www.epa.gov/epaoswer/non-hw/procure/index.htm> One hundred percent of an agency's purchases of EPA-designated items are to contain recovered materials unless written justification is provided that the recycled item does not meet performance, availability, competition, or price criteria.

- 8.31.3 The Department of Agriculture has identified numerous biobased products which have preference for purchases (7 CFR Part 2902). If a product is offered in both recycled and biobased varieties, the recycled product takes precedence over the biobased product. The Department of Agriculture website for USDA-designated items is <http://www.biobased.oce.usda.gov>
- 8.31.4 Executive Order 13423, requires, among other things, that in agency acquisitions of good and services (1) the use of sustainable environmental practices, including acquisition of biobased, environmentally preferable, energy efficient, water efficient, and recycled-content products, and (2) the use of paper of at least 30 percent post-consumer fiber content.
- 8.31.5 Executive Order 13423 also requires that the agency ensure that (1) when acquiring an electronic product to meet its requirements, it meets at least 95% of those requirements with an Electronic Product Environmental Assessment Tool (EPEAT)-registered electronic product, unless there is no EPEAT standard for such product, (2) enables the Energy Star feature on agency computers and monitors, (3) establishes and implements policies to extend the useful life of agency electronic equipment, and (4) uses environmentally sound practices with respect to disposition of agency electronic equipment that has reached the end of its useful life.
- 8.31.6 FAR, Subpart 23.4 requires that all Federal agencies with purchases (including micro-purchases) exceeding \$10,000 (agency-wide) implement an Affirmative Procurement Program for EPA and USDA-designated items.

8.32 Convenience Checks

- 8.32.1 Bank of America will furnish convenience checks upon request. These may be used for purchases from merchants who do not accept the purchase card and the supplies or services are not available from another vendor. When a purchase is made with a convenience check, the check value will be treated as a charge against the cardholder account. There is a charge of 1.75% of the face value of each check processed. Cardholders are to manage such checks in the same manner as they do card purchases, i.e., reservation of funds, authorization from authorizing official, documentation, maintenance of receipts, and Statement of Account reconciliation. Cardholder individual purchase limits are the same for convenience checks as for card transactions.

8.32.2 The purchase card is the preferred method for completion of simplified acquisitions. When considering the use of convenience checks, the total cost to the Government, including the 1.75% fee, should be included in determining which method is the best value for the Government. If there is another merchant from whom the transaction could reasonably be completed then that method might offer a better value than utilizing the convenience check.

8.32.3 Convenience checks shall not be issued in amounts greater than \$3,000 except for emergency situations in which case the OPC may approve a check of up to \$10,000. The old practice of allowing contracting officers to issue convenience checks up to the limit of their warrants has been eliminated. Convenience checks shall not be written to cash, to the account holder, or to other employees. Cardholders must maintain a Convenience Check log which must include the check number, merchant name, merchant tax I.D. (for services in amounts greater than \$600), the item purchased, the dollar amount of the purchase, the dollar amount of the check fee, and the total cost.

8.32.4 Convenience Check Account Establishment: Within 10 calendar days after receipt of a task order issued in accordance with the terms and conditions of the Bank of America contract, Bank of America shall contact the Agency Program Coordinator or OPC to discuss implementation procedures.

8.32.5 Convenience Check Inventory Replenishment: Bank of America shall provide inventory replenishment by automatic replenishment, toll free or collect telephone reorder capability, or 24-hour replenishment when requested by Agency Program Coordinator or OPC.

8.33 Electronic and Information Technology (EIT)

This section implements Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. Title 794d) and the Architectural and Transportation Barriers Compliance Board Electronic and Information Technology (EIT) Accessibility Standards (36 CFR 1194). Further information on Section 508 is available at <http://www.section508.gov> When acquiring EIT, cardholders should be aware that agencies must ensure that:

8.33.1 Federal employees with disabilities have access to and use of information and data that is comparable to the access and use by Federal employees who do not have disabilities.

8.33.2 Members of the public with disabilities seeking information or services from an agency have access to and use of information and data that is comparable to the access and use by members of the public who do not have disabilities.

- 8.33.3 When cardholder acquires EIT they should ask whether the equipment users may have disabilities such that special features may be required and ask the vendor if the equipment they plan to provide will afford equal access for those with disabilities.

8.34 Debarment and Suspension

There is a formal system by which contractors and individuals may be excluded from eligibility for Federal procurement or assistance programs in case of certain serious offences. The Excluded Parties List System is available at <http://epls.arnet.gov>. Purchases are not to be made from parties on the list. A merchant's name may be entered to ensure that the merchant is not on the list.

8.35 Federal Procurement Data System – Next Generation (FPDS-NG) Reporting

All purchase card transactions exceeding \$3,000 require reporting to FPDS-NG. If you are not in the Office of Contracting but have such transactions, consult your OPC or EMCBC FPDS-NG Coordinator for procedures.

8.36 SmartBuy Program and Information Technology

8.36.1 SmartBuy is a Government-wide enterprise software licensing initiative established to maximize the buying power of the Government and decrease the cost of widely used commercial software. The requisitioner/user must check <http://cio.doe.gov/SProjects/smartbuy.html> to see if they need to buy on the list of SmartBuy agreements in place and annotate the purchase request accordingly. If there is an agreement in place, the cardholder must purchase in accordance with that agreement. If the required software is not available under the existing SmartBuy agreement, the requirement shall be processed internally under normal local procedures.

8.36.2 Cardholders should ensure Information Technology systems and products are able to receive, process, and transmit or forward IPv6 packets and should interoperate with other systems and protocols in both IPv4 and IPv6 modes of operation.

9.0 RECORDS MAINTENANCE

All cardholders must keep complete and accurate records of their purchases in accordance with this operating procedure. This shall include evidence of requests, authorizations, and receipts for any property, supplies, or services purchased using their purchase card. All documentation must be included with the monthly Statement of Account and will be filed centrally in the Office of Contracting, EMCBC, Cincinnati, Ohio. Authorizations must be obtained via the EMCBC P-card online system and therefore need not be attached to the monthly Statement of Account. However, it is expected that such authorizations will be obtained electronically by the cardholder and

may be reviewed by the approving officials, OPC, or any other individuals with auditing authority in the EMCBC or HQ.

10.0 FORMS USED

- 10.1 Attachment B, Monthly Purchase Card Charge Information Form, IP-412-01-F1, Rev. 1

11.0 LINKS

- 11.1 [GOVERNMENT-WIDE COMMERCIAL CREDIT CARD SERVICE CONTRACT GUIDE GS-23-98004](#)
- 11.2 [FAR SUBPART 3.104, PROCUREMENT INTEGRITY](#)
- 11.3 [FAR PART 8, REQUIRED SOURCES OF SUPPLIES AND SERVICES](#)
- 11.4 [FAR PART 12, ACQUISITION OF COMMERCIAL ITEMS](#)
- 11.5 [FAR PART 13, SIMPLIFIED ACQUISITION PROCEDURES](#)
- 11.6 [FAR PART 23, ENVIRONMENTAL CONSIDERATIONS](#)

12.0 ATTACHMENTS - [PURCHASE CARD FORMS](#) AND SELF ASSESSMENT QUESTIONNAIRE ARE AT THE [DOE PROCUREMENT HOME PAGE](#) AT CHAPTER 13 OF THE [DOE ACQUISITION GUIDE](#)

- 12.1 Attachment A, Approving Official Delegation Memorandums
- 12.2 Attachment B, Monthly Purchase Card Charge Information Form
- 12.3 Attachment C, Review Checklist for Annual Review

Attachment A

Monthly Purchase Card Charge Information Form

Purchase Cardholder _____ Statement Date _____

Organization #1 _____

Charge Categories	Amount
Supplies and Materials	
Equipment	
Rent	
Communication Utilities and Misc	
Printing	
Other Services – Non Gov	////////////////////////////////////
Training	
Other	
Other Services – Gov	////////////////////////////////////
Training	
Other	
Support Services	
Total	

Organization #2 _____

Charge Categories	Amount
Supplies and Materials	
Equipment	
Rent	
Communication Utilities and Misc	
Printing	
Other Services – Non Gov	////////////////////////////////////
Training	
Other	
Other Services – Gov	////////////////////////////////////
Training	
Other	
Support Services	
Total	

Total of all Organizations (should equal statement total) _____

PURCHASE CARD PROGRAM
REVIEW CHECKLIST AND SELF ASSESSMENT GUIDE

1. Have personnel involved in the program received adequate training?
2. Are cardholders and approving officials aware of mandatory source programs, especially the Javits-Wagner-O'Day Act? (See Federal Acquisition Regulation (FAR) Part 8.)
3. Have reasonable limitations been identified to Bank of America, i.e., individual/monthly transaction limitations, and appropriate merchant activity code categories?
4. Are delegations of authority or certificates of appointment issued to individual cardholders? Certificates of appointment are to be used above the micro-purchase level.
5. Do the delegations of authority or certificates of appointment identify purchase limitations and are these consistent with those furnished to Bank of America?
6. Does the single purchase dollar limitations for cardholders accurately reflect the types of purchases being made by cardholders?
7. Are copies of the delegations of authority and certificates of appointment maintained in a current status?
8. Are local procedures adequate and current?
9. Do local procedures include an internal review function?
10. Do the local procedures ensure funds availability in advance of transactions?
11. Is the local program coordinator identified to cardholders?
12. Are supervisors of cardholders identified as approving officials?
13. Do the cardholders maintain a log of transactions adequate to identify the transaction, the merchant, the date of the order, the item(s) purchased, the price, and date of receipt if other than the date of the order? Does the log reflect any prior approvals or coordination required before the purchase?
14. Are merchant receipts obtained by the cardholders and maintained to document the purchases at time of invoice?
15. Do prices appear reasonable and do the items purchased appear appropriate to official use?

16. When the price exceeds the micro-purchase ceiling, does the cardholder obtain and document competition or document and justify the reason for no competition?
17. Do the cardholders reconcile their statements of account (invoices) and submit them to their approving officials in a timely manner? Reconciliation generally includes entering on the invoice the purchase item description, any accounting data which may be required by local procedures, attaching the merchant receipts, signing the invoice, and forwarding the package to the approving official.
18. Do cardholders question the inclusion of sales tax on invoices?
19. Do the cardholders submit "dispute" or "statement of questioned items" forms for disputed charges?
20. Do the approving officials review, question, and approve the invoices and forward them to the finance office in a timely manner?
21. Does the finance office forward "notice of questioned item" forms to the Bank?
22. Does the finance office process a "notice of invoice adjustment" form when it makes payment for greater or lesser than the amount of the invoice?
23. Do the cardholders, approving officials, finance officers, and program coordinator receive appropriate reports from the Bank?
24. For transactions above \$25,000, is a file maintained to document issuance of the synopsis, small business coordination, approval of noncompetitive procurement, and other required approvals or coordination?
25. Do the single purchase dollar limitations for cardholders accurately reflect the type of purchases being made by the cardholders?

EMCBC RECORD OF REVISION**DOCUMENT**

If there are changes to the controlled document, the revision number increases by one. Indicate changes by one of the following:

- I** Placing a vertical black line in the margin adjacent to sentence or paragraph that was revised.
- I** Placing the words GENERAL REVISION at the beginning of the text.

Rev. No.	Description of Changes	Revision on Pages	Date
1	Original Development	All	09/04/07